



GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ANIMAL HUSBANDRY DEPARTMENT – Scheme of establishing Mini Dairy Units on 75% interest subsidy under Rashtriya Krishi Vikas Yojana (RKVY) at an outlay of Rs.23,45,20,000/- during the year 2010-2011 – Administrative approval – Orders – Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (AH.III) DEPARTMENT

G.O. Rt. No. 234

dated 21st May, 2010.
Read the following:

From the Director of Animal Husbandry, Letter Roc.No.3153/P/PII/2010, dated 29th March, 2010.

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ORDER:

The Director of Animal Husbandry in his letter cited has reported that about 94 lakh families in the State are engaged in livestock related activities and 24 lakh families are directly dependent on livestock sector for their livelihoods. The livestock sector is emerging as a potential income generating source in rural areas. Government of Andhra Pradesh is providing milch animals (1+1) and Heifers (1+1) under various programmes on 50% subsidy to generate income to the rural poor. These units are small and beneficiaries are taking up these activities on part-time basis. Besides, there is a demand for establishment of mini dairy units to provide full-time activity and to augment the milk production of the State. Hence he has proposed to encourage the Mini Dairy Units (buffaloes/Cross bred cows) for the experienced farmers, unemployed rural youth who are interested in dairying and members from Women Self Help Groups. Mini Dairy Units will be sanctioned in 22 Districts of the State @ 200 Units per each District. Total budget required for sanction of 4400 Units in 22 Districts is Rs.23,45,00,000/- which will be met from the funds released by Government of India under "Rashtriya Krishi Vikas Yojana (RKVY)". While forwarding the guidelines for sanction of establishment of Mini Dairy Units in the State, the Director of Animal Husbandry has requested the Government to issue suitable orders in this regard.

2. After careful examination of the proposal of the Director of Animal Husbandry, Government hereby accord administrative approval for the scheme of establishing the Mini Dairy Units on payment of 75% interest subsidy to the beneficiaries in 22 Districts of Andhra Pradesh during 2010-11..

3. The funds to a tune of Rs.23,45,00,000/- required for sanction of 4400 Mini Dairy units in 22 Districts of the State during the year 2010-11 will be met from the funds released by Government of India under "Rashtriya Krishi Vikas Yojana (RKVY)".

4. A copy of the guidelines for sanction of Mini Dairy Units is annexed to this order, which includes guidelines, financial outlays, requirement of milch animals, mode of payment of interest subsidy etc.

5. The Director of Animal Husbandry is informed that no additional funds will be sanctioned by the Government for the purpose and the entire expenditure on account of sanction of Mini Dairy Units shall have to be met from the funds of Rashtriya Krishi Vikas Yojana only.

6. The Director of Animal Husbandry shall take further necessary action.

P.T.O.

7. This order issues with the concurrence of Finance Department vide their U.O.No.3532/40/A1/ Expr.AH&F/2010, dated 26.4.2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K.R. KISHORE,
Special Chief Secretary to Government (FAC).

To
The Director of Animal Husbandry, Hyderabad.
Copy to:
The Finance (Expr.AHFFCS&E) Department.
The Accountant General, A.P., Hyderabad.

// FORWARDED :: BY ORDER //

SECTION OFFICER

GUIDELINES FOR SANCTION OF MINI DAIRY UNITS ON 75%INTEREST SUBSIDY UNDER RASHTRIYA KRISHI VIKAS YOJANA (RKVY)

Preamble:

Andhra Pradesh state is known for its diversified livestock resources. Livestock farming is one of the important livelihoods in rural areas, providing substantial income and food security to the farmers. In Andhra Pradesh, about 92 lakh families are engaged in livestock related activities and 24 lakh families are directly dependent on livestock sector for their livelihoods. The sector is emerging as a potential income generating source in rural areas. The contribution of Livestock sector to GSDP at constant prices is 16190 crores which amount to 6.42% of GSDP. The AP state stands first in egg & meat production and second in milk production in the country.

The Government is providing milch animals (1+1), Heifers (1+1) under various programmes on 50% subsidy to generate income to the rural poor. These units are small in size and beneficiaries are taking up these activities on part time basis. There is a demand from the farmers for establishing of mini dairy units that can provide full time activity to the interested farmers and unemployed rural youth for their livelihoods.

Proposed schemes:

It is proposed to encourage for establishing of Mini Dairy units (Buffaloes / Cross bred Cows) with the interested farmers, including members from Women Self Help Groups and unemployed rural youth under 75% interest subsidy under Rashtriya Krishi Vikas Yojana (RKVY)

Type of animals:

1. Milch Buffaloes (Murrah or Mehsana)

Cost: Rs.35000/- per milch buffaloes (including transportation & insurance cost).

Milk yield: 8 to 10 liters per day.

2. Milch Cows (Crossbreed Jersey/HF)

Cost: Rs.30000/- per milch cow (including transportation & insurance cost).

Milk yield: 12 liters and above per day.

P.T.O.

Unit size:

Mini dairies with unit size of

(i)	6 (3+3)	Buffaloes/Cows
(ii)	10 (5+5)	Buffaloes/Cows
(iii)	20 (10+10)	Buffaloes/Cows

Procurement of Milch animals: Milch animals will be procured from outside the State, from breeding tracts.

Selection of villages:

- The village should have Dairy facility for milk marketing and availability of veterinary services.

Selection of beneficiaries:

- The beneficiary should invariably possess at least 1 to 2 acres of land with irrigation facility, depending on the size of the unit.
- Experienced farmer in dairying is to be preferred.
- Unemployed youth with an attitude for dairy farming.
- Member (s) from Women Self Help Groups

Selection Procedure:

➤ **Mandal level Selection Committee:**

1. MAHO
2. MPDO
3. Banker
4. Manager, Milk Chilling Centre

The Mandal level Committee shall scrutinize the applications and short list the applicants at mandal level and submit to the District level Committee.

➤ **District level Selection Committee:**

- | | |
|------------------------------------|------------|
| 1. District Collector & Magistrate | - Chairman |
| 2. Joint Director (AH) | - Convener |
| 3. Project Director, DRDA | - Member |
| 4. Lead District Manager (LDM) | - Member |
| 5. Asst. General Manager, NABARD | - Member |

The District-level Committee shall further scrutinize the list and sanctions will be issued to the eligible candidates.

Training to the beneficiaries:

- The selected beneficiaries will be oriented on the broad outline of the scheme and economics of the mini dairy units.
- Training on dairy management practices which includes practical exposure to dairy management practices.

The total unit cost of mini dairy comprises of Bank loan & beneficiary Contribution.

Bank loan will be provided for

1. Cost of milch animals
2. Cost of equipment

Beneficiary contribution

1. Cost of Shed Construction
 2. Cost of Fodder Cultivation
 3. Cost of feed for 1st month
- Non-recurring amount like feed cost & animal health care cost also will be borne by beneficiary.

Period of Repayment of Bank loan:

- Bank loan with interest shall be repaid in a period of 3 years.
- Rate of interest is taken as 12%.
- The 75% subsidy on interest payable by the beneficiary will be released as **back-end** subsidy by the concerned Joint Director (AH) to the beneficiaries' bank account once in 3 months, i.e Four times in a year based on the Performance of the loan account statement from the banks after taking approval from the Committee chairman/District Collector.
- The beneficiary who has completed 3 months of regular repayment of bank loan shall become eligible for 75% subsidy on interest.
- If the beneficiaries resume to one-time repayments and regularize the arrears, such beneficiaries are also eligible for 75% subsidy on interest in the next quarterly period.

P.T.O.

FINANCIAL OUTLAY OF DIFFERENT UNITS

MILCH BUFFALOES (Scheme for (3) years period)				
	Item	Unit Size		
		6 (3+3)	10 (5+5)	20(10+10)
1	Total Unit cost	263500	445000	875000
2	Beneficiary contribution	43500	75000	150000
3	Bank Loan	220000	370000	725000
ECONOMICS				
1	Total income	716370	1193950	2387900
2	Expenditure	335025	563375	1270750
3	Net income	381345	630575	1117150
4	Principle paid	220000	370000	725000
5	Interest	54939	89074	178352
6	Total loan repayment	274939	459074	903352
7	Interest Subsidy	41204.25	66805.50	133764
8	Surplus	106406	171501	213798
9	Total benefit (includes interest subsidy)	147610.25	238306.50	347562
CROSSBREED COWS (Scheme for (3) years period)				
S.No	Item	Unit Size		
		6(3+3)	10(5+5)	20(10+10)
1	Total Unit cost	233500	395000	775000
2	Beneficiary contribution	43500	75000	150000
3	Bank Loan	190000	320000	625000
ECONOMICS				
1	Total income	700890	1168150	2336300
2	Expenditure	362550	609250	1362500
3	Net income	338340	558900	973800
4	Principle paid	190000	320000	625000
5	Interest	47098	80057	154269
6	Total loan repayment	237098	400057	779269
7	Interest Subsidy	35323.5	60042.75	115701.75
8	Surplus	101242	158843	194531
9	Total benefit (includes interest subsidy)	136565.5	218885.75	310232.75

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District-wise targets & Budget requirement:

1	No. of districts to be covered	22 Districts
2	No. of Mini Dairies to be established in each district	200 units
3	Total No. of milch animals for establishing 200 units In each district. (140 units x 6 animals, 40 units x 10 animals & 20 units x 20 animals)	1640 Nos
4	Total No. of milch animals in 22 districts	36080 Nos
5	75% Subsidy on interest payable per animal is up to	Rs. 6500/-
6	Budget required for 22 districts (75% Subsidy on interest payable) (36080 animals x Rs.6500/-)	Rs.2345.20 lakhs

K.R. KISHORE,
Special Chief Secretary to Government (FAC).